

## USAID Summer Seminar Series

### Session 1

Tuesday, June 29, 2004 9:00-11:00

Topic: People-Our Greatest Asset: How the Human Capital and Knowledge for Development Strategies Interact

Presentation Notes

### Ron Olsen

How is Human Capital (HC) viewed? In the late '90s, the federal government downsized. This was a period in which there was no recruitment. The result for USAID was that the Agency on a whole was reduced in size. The administration discovered that due to the downsizing, they were left with a shortage of qualified employees. With every cycle, there were an increasing number of vacancies. The result was a greater demand for skilled, knowledgeable employees, and not enough human capital to satisfy the need. As program money greatly increased, the HC shortage worsened. With defense, diplomacy, and *development* defining US foreign policy, it is increasingly important to address the HC crisis. Administrator Natsios is dedicated to rectifying the increasing problem of human capital. USAID is striving to solve the HC problem through the development of a Joint Strategic Plan, the President's Management Agenda, and Business Transformation.

The HC strategic plan was compiled by the Office of Human Resources (M/HR) and the Bureau for Policy and Program Coordination (PPC). The main goal of the HC strategy is to get the right people in the right place, doing the right work, at the right time (with the right knowledge, skills, and experience) to fulfill USAID's mission. This plan is a joint endeavor between the State Department and USAID. The partnership is a natural one, since USAID and State share specified areas of common interest upon which to collaborate, such as employee training and joint licensing, cross assignments, employment concerns, human resource systems and information technology applications, overseas employment, and performance evaluations.

The President's Management Agenda deals with the issues of workforce planning, the development readiness initiative (DRI) and other recruitment, the Overseas Template and HQ Re-alignment, as well as an OMB/OPM scorecard for human capital. The goal is to achieve sufficient working programs by the 2<sup>nd</sup> quarter of 2005. The main objective is to increase the overall workforce contingent upon an increase in OE funds. This goal is more cumbersome, in that it makes allowances for differing, age groups, sexes, and races, in order to achieve a diversified, increased workforce. The DRI is seeking to aid in this endeavor by planning to increase the FSN by twenty percent, bringing in an estimated 250 new officers, from 2004–2006. Congress has recently made progress by passing FS85, allotting appropriations for 85 employees, to be brought back into the Agency under temporary status, over the next three years.

The Business Model will be addressed by Dave Eckerson next week.

### Susan Wallace

Knowledge is a crucial resource. It is very important for the Agency to come up with an adequate means for managing our knowledge. The main problem of the human capital crisis is that the Agency is losing too many mature, knowledgeable employees, while at the same time they are gaining many new young employees. There are no people left to share the knowledge that they have garnered through their years of service. The question is how we are going to be able to gather all of the knowledge on its way out the door, and then share it throughout the Agency.

With many of the USAID employees scattered throughout the field, it is very difficult to retain much of the knowledge that does exist. What needs to occur is continued access to employees, even after retirement, which will enable accessibility to the valuable information they possess. In order to achieve this, the focus must be shifted from the field—USAID's "public face"—to the strategic and operational "faces" of the Agency. These faces demonstrate the government's view of the HC crisis, as well as the administrative organizations and processes, which provide an invaluable support function to the Agency. In effect, all facets of the Agency must be equally tapped for the information that they possess. An in-depth look at the

strategic objectives that define the Human Capital Strategic Plan, addresses the need, and was in which the differing areas of the Agency can be utilized. Knowledge for Development plays an important role in the HC crisis, in that it provides many viable solutions. One can look to the USAID Portal as one example of a way in which technology can provide a gateway for information to be accessed and shared. The development of collaborative software will also aid in achieving the goal of knowledge accessibility. An Agency “yellow pages,” has been developed, to be used as an engine to locate specified expertise within the Agency and among its retirees.

The end result is that we hope to achieve increased, accessible channels of communication, through which knowledge is inevitably attainable.

## Q&A

(paraphrased for clarity)

You have shown the OE levels as straight, but you were talking about increasing staff levels. How were you going to pay for that?

- The advantage is the partnership with PPC is key. PPC is talking to the appropriators, we’re expecting an increase in OMB—rather, we’re hoping for an increase in our OMB. This will make an increase in new staff levels affordable.
- Our immediate short-term, stop-gap measure is the program-funded 85. This provides us with the staff that is needed most urgently. On the long-term, additional funds are required.
- Choices must be made in the budget. Perhaps there will be trade-offs, such as cuts to IT.
- Regardless, the Agency is committed to the overall increase in our personnel levels.

What is an increase in OE funds contingent upon? If there is an increase in OE funds, how will that impact the “little” people? Who will benefit? In the past there seems to have been a loss in administrative and program staff vs. the technical. If there is an increase, will it only benefit the technical?

- Care needs to be taken when forecasting an OE increase.
- The key lies in the choices that the Agency makes, and where it invests the money appropriated.
- We are all hoping for an increase in the OE. As the budget is constructed and the needs of the Agency are developing, the Agency will have to determine where it places its resources/interests.
- As for who is to benefit from an OE increase, it must be said that our technical capacity/expertise is one of the backbones of the Agency. Our ability to project our needs in the field makes us a very unique and capable agency.
- There is no plan to grow at the expense of the technical expertise. Our requirement by backstop is a developing question of what we need and where we need to hire people is a question that remains to be answered.

Very interesting that the two strategies meet so nicely (Human Capital and KfD) around the point of the right skills and the right knowledge to people at the right time.

- What are the challenges around the new cadre of folks coming in?
- Are they going to have the right skills and the right knowledge because of the work going on?
- What’s going to look different about that?

The visibility must be moved away from the field. We are trying to come up with tools to move quicker and faster in order to place emphasis on the knowledge side, and other less supported “faces.” This is only providing access to the knowledge. It is not improving or looking to the future of the workforce.

There seems to be a disconnect between retirees and new hires (IDIDs/NEPs/etc.). However, the Agency seems to have a good transition program for retirees (orientation/resume help/networking...). While you are trying to capture knowledge from all the experienced people (in term of lessons learned) leaving, nothing is being done to provide incentives to senior management (program officers/office directors), who were/are in the field, to stay. There are a lot of people who want to do more, if given adequate motivators. Some of these employees want to retire, while others enjoy working in their fields. Why not pair the old with the new in the fields? Stars will always come out of stars! What can be done to garner this knowledge?

- Everything comes down to the Congress. We don't have the money. We have to continue regardless.
- We have a lot of old people leaving. We have a crisis. We are doing workforce planning.
- The biggest personnel problem 15 years ago was the secretaries. We got wise and got computers, now we have a problem with all the supervisors not wanting to do administrative work. There is not support, so we are forced to contract out for the admin work. Now we have no independent workforce.
- We have to figure out mechanisms to support our workforce. We need managers, not just PhD economists. We're starting to get resolve with the new flock of NEPs and IDIs.
- Always comes down to the issue of money. There is never enough, so program costs get cut.
- The current Administrator is taking actions to rectify the situation, by providing training to bridge HC with KfD. However, the new NEPs aren't able to take full advantage of the middle-level management and old folks; because the experienced folks think they know everything already and don't go to the training provided.
- The new trainees are bringing in innovative ideas on management and strategic objectives, especially with their knowledge of IT.

There are old folks who are trying to be 21<sup>st</sup> century-oriented. On the flip side, there are new hires going out into the field, in high level positions, and do not possess the skills to navigate with host country counterparts.

- There are many people who are IT-phobic. The new hires are not.
- We have a new mentor site, which will allow those who are retiring to post comments and give advice. We are also trying to get the portal up and running that will allow greater access to all employees, old and new.
- We can't help out on the incentives to stay up front, but we can help with sharing of knowledge.

There has been talk of the cross-over between USAID and the State Department. There were five offices mentioned. Please elaborate on the rationale behind the cross-over, as well as, what level the offices are.

- The rationale is pretty straightforward. The more we know about State the better we are able to interface with them, as we look towards the future and our programming is increasing a collaborative matter.
- The new trend in the field is to integrate the USAID missions with State, as opposed to stand alone missions.
- State must also be sensitive to our corporate culture. Professional growth involvement must also be protected.

Are there also civil service slots?

- There is a program for civil service conversions to the Foreign Service.

Are there plans to have civil service at USAID and State swap jobs?

- Not that I have heard yet. The focus has been on Foreign Service assignments.
- This is increasingly difficult since the Foreign Service assignments are competitive as is.
- The reason why we are at these committees: the State/USAID joint strategic plan has set up two councils, the policy council and the management council. These were set up at the insistence of State. The councils were not well received by USAID. However, we wanted to take advantage of the notion that issues such as eye casts, training, and the workforce were going to be seen by senior/mid-level management at State. Now we have our issues addressed four times a year. We are making progress.

Sounds as though the exchange is occurring at the senior management level, which is good, because this is where the impact will be felt. The cultural exchange is good, although change will only occur at the senior level.

### end notes ###